

## Message Text

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DRAFTED BY EA/RA-PMU:MEILAND:GMD  
APPROVED BY EA - RICHARD HOLBROOKE  
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FM SECSTATE WASHDC  
TO ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS

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E.O. 11652: N/A

TAGS: MASS

SUBJECT: ASSISTANT SECRETARY HOLBROOKE CONGRESSIONAL  
- TESTIMONY

1. ASSISTANT SECRETARY HOLBROOKE APPEARED BEFORE THE  
SUBCOMMITTEE ON ASIAN AND PACIFIC AFFAIRS OF THE HIRC ON  
MARCH 9 AND 14 TO DISCUSS THE FY 1979 SECURITY ASSISTANCE  
PROGRAM. THE ATMOSPHERE WAS FRIENDLY AND THE QUESTIONING  
CONDUCTED IN A NON-CONFRONTATIONAL MANNER. WHAT FOLLOWS  
IS A SYNOPSIS OF THE QUESTIONS AND ANSWERS FROM THE TWO  
SESSIONS. OPENING STATEMENTS WILL BE PROVIDED BY POUCH.

2. THE MARCH 9 HEARING ON NORTH ASIA DEALT IN LARGE  
MEASURE WITH THE METHODOLOGY OF DRAWING UP THE \$800 MILLION  
COMPENSATION PACKAGE FOR THE US REDEPLOYMENT FROM THE ROK.  
BG PINCKNEY OF DOD/ISA HANDLED MUCH OF THE WORK ON THIS  
TOPIC. PINCKNEY AND HOLBROOKE STRESSED THE NEED TO MAIN-  
TAIN ROK CAPABILITIES VIS-A-VIS NORTH KOREA AND THE IMPOR-  
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TANCE OF THIS TO THE OVERALL BALANCE IN NORTHEAST ASIA.  
THE SUBCOMMITTEE ASKED ABOUT LINKAGES BETWEEN THE TROOP  
REDEPLOYMENT AND BOTH THE COMPENSATION PACKAGE AND  
KOREAGATE" MATTERS. HOLBROOKE SAID FIRST THAT WE ARE  
PROCEEDING ON THE ASSUMPTION THAT THE COMPENSATION PACKAGE  
WILL BE APPROVED, AND SECOND THAT IT WOULD BE DANGEROUS TO  
DIRECTLY LINK SECURITY ISSUES WITH THE CURRENT INVESTIGATIONS.

THE SUBCOMMITTEE ASKED VIEWS ON THE ERTEL RESOLUTION, PARTICULARLY THE QUESTION OF TESTIMONY BY KIM DONG JO. HOLBROOKE STRESSED THE OBLIGATION OF THE US TO ABIDE BY PROVISIONS OF THE VIENNA CONVENTION. ASSISTANT SECRETARY HOLBROOKE WAS ASKED FOR A COMPARISON OF US DEFENSE TREATIES WITH THE ROC AND ROK. THIS COMPARISON WAS PROVIDED AT THE MARCH 14 SESSION. HE WAS ALSO PRESSED TO SOME EXTENT ON THE MATTER OF DIRECT CONTACTS WITH NORTH KOREA TO WHICH HE REPLIED THAT UNDER PRESENT CIRCUMSTANCES NO SUCH CONTACTS COULD BE MADE WITHOUT SOUTH KOREAN PARTICIPATION. WE DO HAVE CONTACTS THROUGH INTERMEDIARIES, AS WELL AS AT PANMUNJOM.

3. THE SUBCOMMITTEE ASKED ABOUT JAPANESE DEFENSE SPENDING IN GENERAL TERMS, AND ABOUT JAPANESE CONCERNS OVER THE KOREAN TROOP WITHDRAWAL. HOLBROOKE REPLIED THAT THE CURRENT GREATEST CONCERN OF THE JAPANESE IS OVER THE LENGTH AND POSSIBLE EFFECTS OF THE SCANDAL INVESTIGATIONS IN THE US CONGRESS.

4. IN REPLYING TO QUESTIONS ON THE HUMAN RIGHTS SITUATION IN SOUTH KOREA, HOLBROOKE STATED THAT, WHILE THE SITUATION IS IMPERFECT, PROGRESS IS BEING MADE. HE ALSO MADE A COMPARISON OF NORTH AND SOUTH KOREA IN THIS REGARD.

5. THE MARCH 14 HEARINGS ON SOUTHEAST ASIA CENTERED MAINLY UNCLASSIFIED

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ON INDOCHINA MATTERS: NORMALIZATION WITH THE SRV, FOOD AID TO LAOS, MIA'S, CAPTURED US ARMS, REFUGEES, AND THE SRV-CAMBODIA CONFLICT. NO NEW GROUND WAS BROKEN. HOLBROOKE RESTATED US WILLINGNESS TO PROCEED WITH NEGOTIATIONS WITH THE SRV, BUT NOTED THAT NO MEETINGS ARE NOW SCHEDULED. HE STRESSED THAT NO FINAL DECISION HAS BEEN MADE ON FOOD AID TO LAOS, NOTING THAT CONGRESS HAS BEEN CONSULTED ON THE MATTER BUT THAT THE FINAL DECISION WILL BE UP TO THE PRESIDENT. THE SUBCOMMITTEE EXPRESSED CONCERN THAT LAOS WAS NOT BEING FORTHCOMING ON THE MIA PROBLEM. HOLBROOKE SAID THAT THE CHARGE WOULD BE INSTRUCTED TO CONTACT THE LAO AGAIN ON THE MATTER ON BEHALF OF THE SUBCOMMITTEE AND ITS DESIRE TO UNDERLINE ITS CONCERN. HE TOLD THE SUBCOMMITTEE THAT NO US ARMS CAPTURED BY THE SRV HAVE TO OUR KNOWLEDGE APPEARED IN ASEAN COUNTRIES, BUT THAT IT IS REASONABLE TO EXPECT THAT THEY ARE BEING USED AGAINST CAMBODIA. THE DISCUSSION OF REFUGEES BEGAN WITH A QUESTION ON POSSIBLE CHANGES IN SINGAPORE'S POLICY AND A STATEMENT THAT BOAT PEOPLE ARE THE BIGGEST PROBLEM IN SOUTHEAST ASIA. HE SAID THAT THE SINGAPORE GOVERNMENT HAD SHOWN A GROWING WILLINGNESS TO BE MORE FLEXIBLE WITH REGARD TO LENGTH OF STAY FOR BOAT REFUGEES. HOLBROOKE STATED THAT WE ARE WORKING WITH

INTERNATIONAL AGENCIES AS WELL AS OTHER GOVERNMENTS, AND ARE PREPARING A SYSTEMATIC PROGRAM FOR PRESENTATION TO CONGRESS. FINALLY, HOLBROOKE REFUSED TO IDENTIFY THE SRV-CAMBODIA CONFLICT AS A PROXY WAR. HE SAID THAT THE PRC IS NATURALLY UNDERTAKING A MORE EXTROVERTED FOREIGN POLICY FOR REASONS UNRELATED TO THAT SITUATION, AND THAT THE USSR WILL ALWAYS TRY TO INCREASE ITS INFLUENCE ANYWHERE IT MIGHT HAVE A CHANCE TO DO SO. REGARDING THE INDIAN OCEAN, HOLBROOKE SAID THAT THERE HAD NOT BEEN AN INCREASE IN SOVIET ACTIVITY IN THE EASTERN PART AND THAT THE USG KEEPS A CLOSE EYE ON SOVIET NAVAL ACTIVITY.

6. THE PHILIPPINE ELECTIONS WAS ANOTHER TOPIC OF INTEREST. HOLBROOKE STRONGLY AFFIRMED THAT THE US IS NOT INVOLVED  
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IN ANY WAY ON EITHER SIDE. HE ACKNOWLEDGED THAT PATT DERIAN'S VISIT WITH AQUINO COULD BE MISINTERPRETED BECAUSE OF ITS TIMING BUT INSISTED THAT IT WAS NOT AN INDICATION THAT THE US IS TAKING SIDES IN THE ELECTIONS. HE NOTED THAT MARCOS COULD HAVE REFUSED PERMISSION FOR THE MEETING. IN THE PHILIPPINES CONTEXT, HOLBROOKE WAS ALSO ASKED ABOUT REPORTS OF RECENT PAF ACTIVITY IN THE SPRATLY'S, AND HOW THE US MIGHT GET INVOLVED. HE ANSWERED THAT WE TAKE NO POSITION ON CONFLICTING CLAIMS AND ADVISE US OIL FIRMS TO STAY CLEAR OF THE DISPUTED AREA. TO OUR KNOWLEDGE THERE ARE US FIRMS DRILLING NEAR PALAWAN BUT NOT IN THE DISPUTED AREA AT THIS TIME. HOLBROOKE STATED THAT OUR TREATY RELATIONSHIP WITH THE PHILIPPINES WILL NOT BECOME A FACTOR IN THE SPRATLY DISPUTE.

7. SEVERAL QUESTIONS WERE ASKED ABOUT THE POLITICAL AND ECONOMIC STABILITY OF INDONESIA. HOLBROOKE SAID THAT THE PRESENT SITUATION SEEMS FUNDAMENTALLY STABLE BUT THAT WE ARE CONCERNED ABOUT SOCIO-ECONOMIC PROBLEMS THAT COULD BREED POLITICAL PROBLEMS IN THE FUTURE. ERLAND HEGINBOTHAM GAVE A BRIEF REVIEW OF THE INDONESIAN ECONOMY. IN RESPONSE TO A RATHER WHIMSICAL QUESTION FROM CONGRESSMAN BURKE ABOUT WHY NO OBJECTIONS TO THE PROPOSED F-5 SALE TO INDONESIA ON HUMAN RIGHTS OR ARMS TRANSFER POLICY GROUNDS, HOLBROOKE STRESSED THE STRATEGIC IMPORTANCE OF THE COUNTRY, ITS ANTIQUATED MILITARY EQUIPMENT, HIGH PRIORITY TO ECONOMIC DEVELOPMENT, AND THE PROBABILITY THAT IT WOULD HAVE BOUGHT A COMPARABLE AIRCRAFT FROM A MAJOR WESTERN EUROPEAN COUNTRY IF WE REFUSED THE SALE. ON HUMAN RIGHTS ASPECTS, HE STATED THAT THERE ARE TWO BASES FOR EVALUATING HUMAN RIGHTS: ABSOLUTE AND RELATIVE. ONLY ONE COUNTRY - CAMBODIA - BEARS ANALYSIS ON AN ABSOLUTE BASIS; ALL OTHERS SHOULD BE LOOKED AT IN RELATIVE TERMS. IN THIS RESPECT, INDONESIA IS MAKING  
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PROGRESS IN HUMAN RIGHTS, ALTHOUGH OBVIOUS PROBLEMS REMAIN.

8. IN RESPONSE TO A QUESTION, HOLBROOKE DESCRIBED OUR CURRENT RELATIONS WITH TAIWAN AS 'NORMAL'. HE REITERATED

THE ADMINISTRATION'S GOAL OF NORMALIZATION WITH THE PRC AND SUPPORT OF THE SHANGHAI COMMUNIQUE, WHILE STATING THAT NO DECISIONS HAVE BEEN MADE ON TIMING OR OTHER DETAILS OF NORMALIZATION. WE WILL KEEP THE WELL-BEING OF THE PEOPLE ON TAIWAN IN MIND IN ANY EVENT. THIS IS THE MOST DIFFICULT FOREIGN POLICY PROBLEM SINCE IT INVOLVES LEGITIMATE BUT OPPOSING INTERESTS.

9. HOLBROOKE ENDORSED CHAIRMAN WOLFF'S PROPOSAL FOR CREATION OF AN ASIAN-PACIFIC PARLIAMENTARY ORGANIZATION, POINTING OUT IT COULD HELP TO KNIT THE AREA TOGETHER. HOLBROOKE CAUTIONED, HOWEVER, THAT THERE MAY BE DIFFICULTIES IN DETERMINING MEMBERSHIP AND SUGGESTED THAT ASIAN COUNTRIES NEEDED TO TAKE THE LEAD SO AS TO AVOID THE APPEARANCE OF THIS BEING A US INITIATIVE. WOLFF ACKNOWLEDGED HE WILL ATTEMPT TO ADD FUNDING TO UP COMING LEGISLATION TO PERMIT CONGRESSIONAL PARTICIPATION IN AN ORGANIZATION. HOLBROOKE AGAIN OFFERED EA STAFF SUPPORT TO ASSIST IN DEVELOPING THE CONCEPT. DURING THE DISCUSSION WOLFF DID NOT INDICATE IF HE STILL PLANNED TO BEGIN WITH ESTABLISHMENT OF A US-ASEAN PARLIAMENTARY GROUP OR IF HE FAVORED SOME OTHER IDEA.

10. WITH REGARD TO AMBASSADOR WELL'S SPEECH IN BANGKOK, WOLFF ASKED IF PRESS STORIES REPORTING U.S. ENDORSEMENT OF THE NEW INTERNATIONAL ECONOMIC ORDER SIGNALLED A SHIFT IN U.S. POLICY. HOLBROOKE INDICATED THAT U.S. POLICY HAD NOT CHANGED AND THAT WHAT THE SPEECH DID WAS ONLY TO EXPRESS CONCERN FOR THE LEGITIMATE DEVELOPMENT ASPIRATIONS OF THE LDCS. VANCE

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